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April 10, 1995

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

RECEIVED
'APR 11 1995
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In The Matter Of:)
)
Local Exchange Carriers' Rates,)
Terms, and Conditions for Expanded)
Interconnection through Virtual)
Collocation for Special Access and)
Switched Transport)

CC Docket No. 94-97
Phase I

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Enclosed for filing are the original and seven copies of Cincinnati Bell Telephone Company's Rebuttal regarding the above-captioned proceeding.

Please date-stamp and return the enclosed duplicate of this letter to acknowledge its receipt.

Questions regarding this Rebuttal should be directed to me at the above address or by calling me at 513-397-7388.

Sincerely,

Alfred J. Titus, Jr.
Regulatory Affairs

Attachment

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Virtual Collocation for Special Access and Switched Transport)	CC Docket No. 94-97, Phase I
)	
)	

REBUTTAL OF CINCINNATI BELL TELEPHONE COMPANY

I. Background.

On February 28, 1995, the Bureau released its Order Designating Issues For Investigation with respect to the LECs' virtual collocation tariffs.¹ Cincinnati Bell Telephone Company (CBT) filed its Direct Case in compliance with the Order on March 21, 1995. Only three parties -- Time Warner Communications Holdings, Inc. (Time Warner), MFS Communications Company, Inc. (MFS) and MCI Telecommunications Corporation (MCI) -- filed comments addressing CBT's Direct Case. CBT hereinafter responds to those comments and demonstrates that its virtual collocation tariff is just and reasonable and that the accounting order imposed on CBT's tariff should be lifted.²

II. Confidential Treatment of Sensitive Information is Warranted.

Time Warner, MFS and MCI each opposes CBT's request to withhold proprietary information regarding CBT's DS1 and DS3 access services from public disclosure. As stated

¹Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Virtual Collocation for Special Access and Switched Transport, Order Designating Issues For Investigation, CC Docket No. 94-97, Phase I, DA 95-374 (released February 28, 1995) (Order).

²On September 2, 1994, the Bureau suspended the LECs' virtual collocation tariffs for one day and permitted them to take effect subject to an accounting order.

in CBT's request for confidentiality, the "Confidential Version" of CBT's Direct Case includes detailed, disaggregated investment and expense information for each component of CBT's DS1 and DS3 access services. The Commission and the other parties to this proceeding, including the CAPs, acknowledge that DS1 and DS3 access services are competitive.³ The information constitutes trade secrets and is precisely the type of information that the Commission's confidentiality rules are designed to protect.

Contrary to the assertions of MFS,⁴ CBT's request for confidentiality is a reasonable attempt to protect sensitive proprietary data. The public version of CBT's Direct Case contains detailed information that is fully responsive to the Bureau's Order. The data provided in the Direct Case are sufficient for all interested parties to evaluate CBT's virtual collocation tariff with regard to the issues raised in the Order.⁵ CBT's request for confidential treatment of highly sensitive investment and expense information should be granted and the oppositions of Time Warner, MFS and MCI should be denied.

III. Annual Charge Factors.

At page 20 of its Opposition, Time Warner raises certain issues with respect to the account information used in disaggregating the administrative expenses shown on CBT's

³See, e.g., Expanded Interconnection with Local Telephone Company Facilities, CC Docket No. 91-141, Memorandum Opinion and Order, 9 FCC Rcd 5154 (1994), at para. 93.

⁴See MFS Opposition at p. 5 (asserting that CBT is trying to "game the regulatory process in a transparent attempt to perpetuate unreasonable rates and charges and to frustrate the Commission's expanded interconnection policy" by requesting confidential treatment of its disaggregated investment and expense information).

⁵The public version of CBT's Direct Case contains sufficient information to evaluate CBT's virtual collocation tariff. Nevertheless, CBT is willing to discuss with interested parties the possibility of releasing the confidential information to specific individuals within a company subject to a confidentiality/nondisclosure agreement acceptable to CBT.

workpapers. The annual charge factors provided in CBT's Direct Case show the annual charge factors for groups of expenses. The annual charge factors for each account within a group of expenses total the annual charge factors shown on CBT's workpapers. While CBT believes the annual charge factors for each account would not be particularly helpful to interested parties, CBT is willing to provide that information upon request.

Time Warner also is concerned with the annual charge factors applied to virtual collocation as compared to the annual charge factors for CBT's long-term DS1/DS3 services.⁶ In response to the concern of numerous CAPs that long-term virtual collocation arrangements are undesirable, CBT offers virtual collocation on a month-to-month basis. The only relevant comparison, therefore, is to another month-to-month service, not to a long-term service. As shown in CBT's Direct Case, the annual charge factors applied to virtual collocation service and to CBT's month-to-month DS1 service are virtually identical. CBT's annual charge factors for virtual collocation are reasonable and Time Warner's attempt to compare virtual collocation to a long-term service is flawed.

IV. Riser Cable Space Rates.

Finally, Time Warner is concerned with CBT's rates for riser cable space and requests that CBT explain the basis for its riser cable space rates.⁷ CBT's riser cable space rates are determined by the demand for virtual collocation service. Because CBT has only one virtual collocation customer, its riser cable space rates are higher than the rates of LECs with many virtual collocation customers. CBT's riser cable space rates are not "a blatant attempt to

⁶Opposition of Time Warner at pp. 20-21.

⁷Opposition of Time Warner at pp. 31-32.

discourage" collocation as Time Warner suggests, but are simply a function of lower demand.

Time Warner's allegations in this regard should be rejected.

V. Conclusion.

None of the three parties that commented on CBT's Direct Case raises any issues that warrant continuing the Bureau's investigation of CBT's virtual collocation tariff. Accordingly, the Bureau should terminate that investigation and remove the accounting order imposed on CBT's tariff.

Respectfully submitted,

FROST & JACOBS

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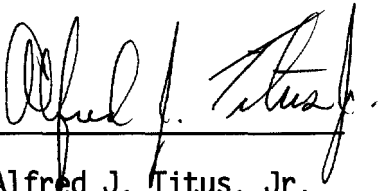
Attorneys for Cincinnati Bell
Telephone Company

Dated: April 11, 1995

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CERTIFICATE OF SERVICE

I, Alfred J. Titus, Jr., do hereby certify on this 10th day of April, 1995, that I have caused a copy of the foregoing Cincinnati Bell Telephone Company's Rebuttal to be sent, via first class United States mail, postage prepaid, to the persons listed on the attached Service List.



Alfred J. Titus, Jr.

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